

Moving in a positive direction

Community Development

2002 Expenditures	\$4,311,425
2003 Budget	\$4,637,136
Net property tax cost for average home per month	\$2.20

Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes safety by obtaining compliance with state and City codes.

Community Services

2002 Expenditures	\$7,562,359
2003 Budget	\$7,840,586
Net property tax cost for average home per month	\$7.51

Community Services fosters opportunities for all residents, produces communications, provides public health services, and manages parks and recreational activities.

Technical Services

2002 Expenditures	\$1,715,874
2003 Budget	\$1,848,009
Net property tax cost for average home per month	\$1.99

Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington's residents.

Council, Commissions, City Manager

2002 Expenditures	\$940,961
2003 Budget	\$941,614
Net property tax cost for average home per month	\$1.16

Bloomington is governed by an elected, part-time City Council consisting of a mayor and six councilmembers. Legislative power is vested in this Council that appoints citizens to advisory commissions, and a City Manager, who is responsible for the administration of City business. The City Manager appoints all other employees and performs duties as directed by the Council.

Legal

2002 Expenditures	\$979,524
2003 Budget	\$989,798
Net property tax cost for average home per month	\$0.71

Advises the City Manager, City Council, City departments, advisory boards and commissions.

Merging efforts in crime prevention

In 2002, a storefront for Bloomington Police opened at the Mall of America. The police unit works in partnership with Mall security, store employees and business owners to prevent crime. Providing a safe, secure shopping experience for visitors and helping businesses maintain a successful retail environment benefits the community.



Officers Damon Bitney and Mike Utecht, assigned to the Mall Unit, discuss ways to reduce retail crime with tenants.

Retail crime decreased

Police reports from the Mall in 2002 indicate that shoplifting dropped 27 percent from the previous two-year period. Additional retail crime including credit card fraud and other reported theft decreased by 36 percent.

Better coverage

A supervisor and four officers are assigned at the Mall of America. The additional staff is available to assist the east side neighborhoods when the need arises. Mall-related revenues cover the cost for the additional police resources. ♦



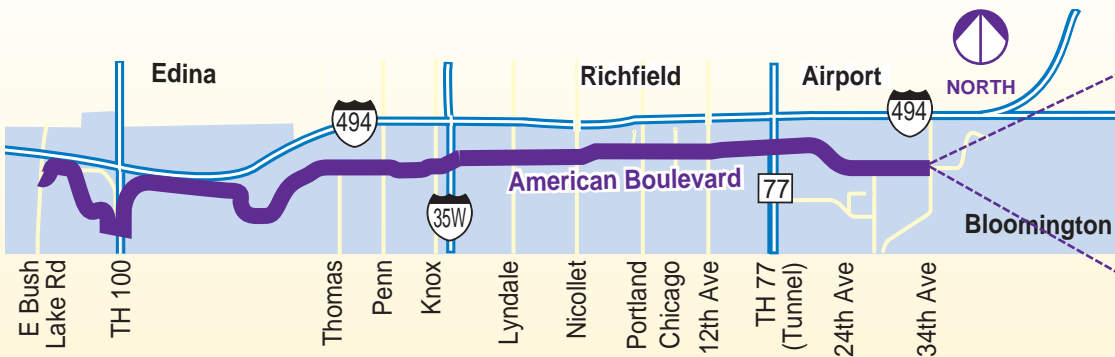
A 64-foot pier floats on the southeast side of Smith Pond. The pier was installed in August 2002 in cooperation with the Minnesota Department of Natural Resources (DNR) to promote their urban fishing program. The DNR will annually stock the pond with crappies and bluegills. By summer 2003, the City will install a short segment of asphalt pathway to make the pier fully accessible.

An alternative route for commuters

The Ring Route, renamed "American Boulevard" by the City Council in 2002, runs parallel to I-494 from East Bush Lake Road to 34th Avenue. Designed to ease congestion and reduce travel time for residents, the route keeps traffic for shorter, local trips off the interstate.

Important east-west link

Upon approval of agency agreements and funding resolution, construction of a bridge over I-35W in the American Boulevard corridor could begin in summer 2003. This important east-west link was envisioned in the mid-



1980s, but wasn't built because details of the I-35W expansion were unknown at the time. Construction will take 18 months to complete. A federal grant will fund 80 percent of construction costs. State aid and the Minnesota

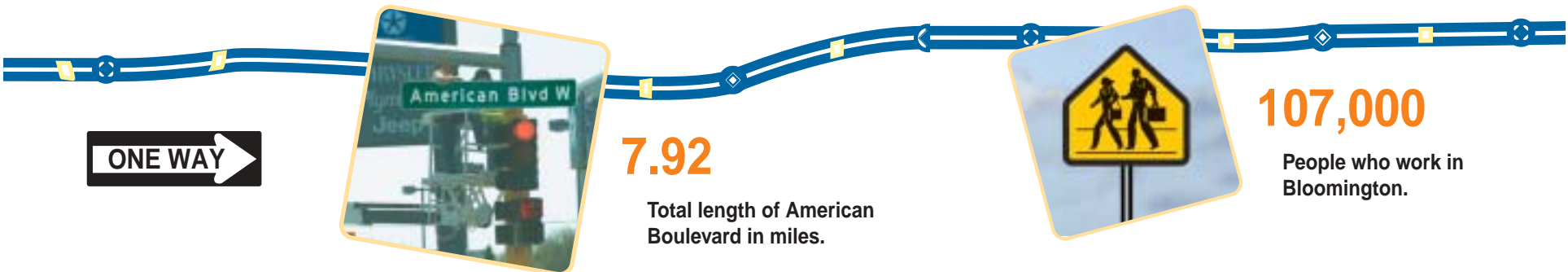
Department of Transportation will also support the project. **Current projects**

American Boulevard will be widened and reconstructed between Knox and Penn avenues and between TH77 (Cedar Avenue) and 24th

Avenue in summer 2003. As in completed sections, the projects will feature terra cotta-colored concrete adjacent to curbs and center medians with plants and trees. Completion is scheduled for fall 2003.

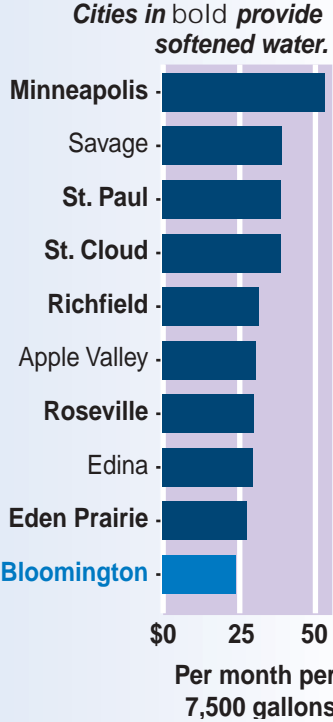
More than halfway home

By the end of 2003, 65 percent of American Boulevard will have been reconstructed and widened. Further construction will occur as funding sources become available. ♦



2002 Residential water and sewer rate survey

Monthly costs for water and sewer service to residents in 10 metro area cities varied greatly in 2002, from \$24 in Bloomington to more than \$53 in Minneapolis per 7,500 gallons. More than half of these cities, including Bloomington, soften their water before distribution to residents. The City's softened water and sewer services are bargains at only \$24.39 per 7,500 gallons - another example of how the City's quality services are a good value for your tax dollar.



Enterprise Funds



These funds consist of utilities, recreational facilities and contractual police services primarily supported by user fees. Operating expenses do not include debt service expenses, capital outlay or transfers to other funds. Utility fees were not increased in 2002.

		2002 Expenses	2003 Budget	Average fee per month
Public Works	Water Utility	\$8,613,747	\$8,790,883	\$14.40*
	Waste Water Utility	7,527,049	7,987,948	9.99
	Storm Water Utility	1,564,317	2,194,908	3.64
	Solid Waste Management	695,025	712,754	1.57**
Community Services	Recreational Facilities	3,812,724	4,018,277	1.04***
Public Safety	Contractual Police	632,760	619,800	—
Technical Services	Motor Vehicle Office	440,699	460,150	—

*Based on 7,500 gallons per month.
** Residents receive a \$0.78 recycling credit per month from a county grant.
***Average property tax cost for average home per month.

Special Revenue Funds



These funds account for revenues used for specific purposes, including housing and community development, communications, public health initiatives and law enforcement activities.

		2002 Expenditures	2003 Budget	Funding
Community Development	Block Grant	\$727,553	\$826,305	Federal grants
	Airport South Environment Review	\$60,966	\$150,000	Environmental review fees
Community Services	Communications	\$709,052	\$1,273,914	Franchise fee/other fund charges
Public Safety	Pension Residual Asset Fund	\$10,548,878	\$7,036,575	One-time reimbursement*
	Police Special Revenue	\$140,641	\$234,000	Forfeited assets and grants
Community Services	Public Health Special Revenue	\$660,502	\$801,400	Funded by state grants

*Used for new Police headquarters, Police operations and joint public safety training facility.

Internal Service Funds



These funds finance interdepartmental goods and services on a cost-reimbursement basis. Internal Services Funds are supported by user fees already included as expenses to other funds in this report. Operating expenses do not include debt service, capital outlay or transfers to other funds.

	2002 Expenses	2003 Budget
Equipment Pool	\$3,965,931	\$3,840,515
Facilities Replacement	\$2,043,486	\$4,015,065
Information Systems	\$2,412,325	\$3,221,939
Public Safety Radio	\$426,726	\$565,149
Self-Insurance	\$1,336,261	***
Support Services	\$486,351	\$630,791
Insured Benefits	\$4,429,460	\$5,127,675

***Working capital goals/insurance reserves established and maintained.

MILE MARKER
3

In a blind taste test at the Public Works' open house in June 2002, City of Bloomington water was compared glass-to-glass with bottled designer water. City water was selected as having a better taste by a ratio of more than 2-to-1. Considering that one bottle of designer water costs as much as 5,376 equivalent-sized bottles of City water, Bloomington citizens are indeed receiving quality water at a bargain price.

Bridging the future



In 2002, the Penn Avenue bridge was reconstructed to fit the design of the eventual widening of the I-494 corridor. Improvements to the bridge included two through lanes, two left-turn lanes, sidewalks in each direction and one traffic signal instead of two to improve traffic flow. **Funding** The bridge improvements were made at least a decade earlier than planned to accommodate the traffic expected when Best Buy opened their corporate campus in Richfield at Penn Avenue. Best Buy funded approximately half of the bridge reconstruction costs. The cities of Richfield and Bloomington, Hennepin County, the Minnesota Department of Transportation and the Federal Highway Administration also worked cooperatively to secure funding.



350
Miles of street maintained by Public Works.



4.4 Million
Pounds of trash annually picked up by Curbside Cleanup.

Exploring the opportunities

Debt Service



Many community needs must be met by the City of Bloomington, including street and infrastructure work, construction projects and equipment purchases. The City's ability to issue future debt at lower interest rates will provide for our community's upkeep and renewal without substantially increasing property taxes for debt service.

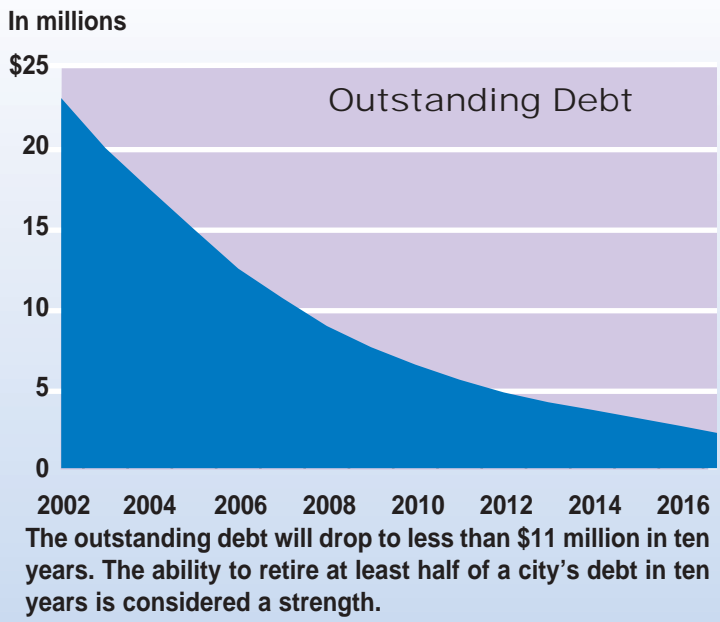
2002 Expenditures	2003 Budget	Average net property tax cost per month
\$2,569,954	\$3,408,356	\$4.08

Outstanding debt

The City's total outstanding General Obligation debt on December 31, 2002, was \$23 million. The statutory debt limit for Bloomington is \$173,336,000 or \$2,035 per capita. See chart below.

The City's net debt per capita is \$196 as indicated in the table below. The net debt includes all general obligation debt of the City, the Housing and Redevelopment Authority and the Port Authority.

Housing General Obligation Revenue Bonds	\$ 7,250,000
Port Authority Bonds	56,385,000
City of Bloomington Debt	22,940,000
TOTAL	\$ 86,575,000
Less: Revenue funded bonds	(59,970,000)
Amount on hand	(9,892,893)
NET DEBT as of 12/31/02	\$16,712,107
NET DEBT per capita	\$196



Mall of America: A decade of progress

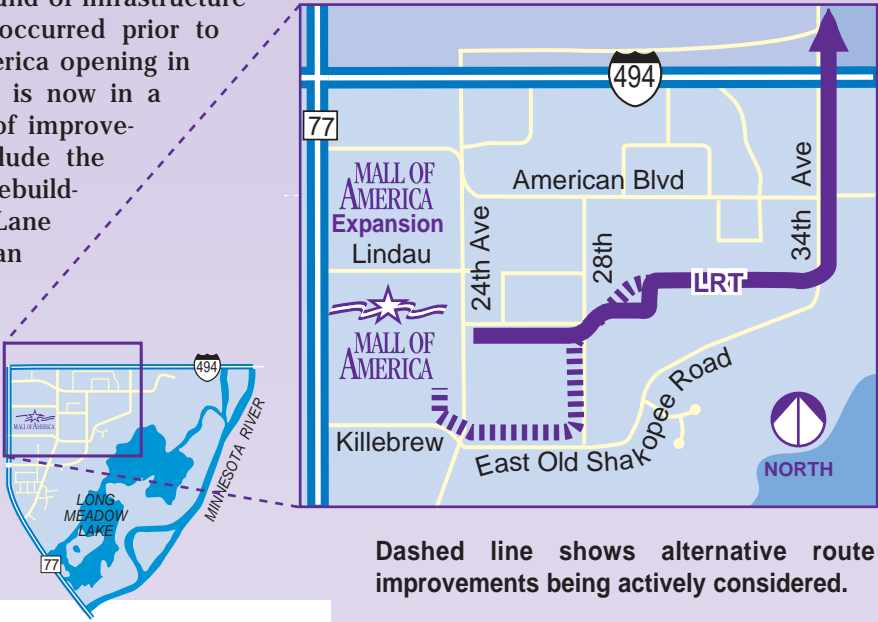
	1992	2002
Space leased	71%	99%
Number of stores	330	520
Employees	10,000	12,000
Annual sales in millions	\$650	\$900

Mapping the course of a district

To encourage and promote economic and industrial development for the City of Bloomington, the Airport South Project was initiated in 1981. The project improves public infrastructure in the **Airport South Development District** to attract new business developments that will secure additional employment opportunities and increase the City's tax base.

The first round of infrastructure improvements occurred prior to the Mall of America opening in 1992. The City is now in a second round of improvements that include the upgrading and rebuilding of Lindau Lane and American Boulevard. See page CR4.

Airport South District



Dashed line shows alternative route improvements being actively considered.



Mall of America (MOA) celebrates "10"

The Mall of America celebrated a decade of success in 2002. With more than 43 million visitors annually, the Mall has helped Bloomington become one of America's top tourist destinations. Since its opening in August 1992, the Airport South area has seen a positive change with public infrastructure improvements and many new restaurants and hotels. The revitalization has attracted businesses that offer employment opportunities and increase the City's tax base. In addition, the MOA benefits the City's General Fund by \$761,400 annually.

2002 General Fund impact of MOA	
Admission taxes	\$820,000
Hotel-motel taxes	\$920,000
Total revenues	\$1,740,000
Less: Estimated expenditures related to MOA	\$(978,600)
General Fund revenues exceeding expenditures	\$761,400

LRT on the move

Construction of the light rail transit line (LRT) along Hiawatha Avenue began in the Airport South District in April 2003. When finished, the LRT will connect downtown Minneapolis, Minneapolis-St. Paul International Airport and the Mall of America. The project is currently about 70 percent complete. Full service is scheduled to begin late 2004.



Mall's Expansion begins with anchor store

The City is currently reviewing plans for the Mall of America's expansion project on the former Met Center site. The proposed preliminary development plan includes a 2.25 million square foot integrated mixed-use center to be built in phases. Expansion includes retail, hotel, office and entertainment elements.

A final development plan is proposed for IKEA, a home furnishings retailer, as an initial anchor store. Upon City approval, construction of the 330,000 square foot store will begin summer 2003.



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Light rail transit stations in Bloomington.



10,708

Criminal cases processed by Legal Department in 2002.

The City Council presents this corporate report of financial and related information to show how Bloomington's city government performs.

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About this report

The City of Bloomington reports financial year-end results in a 155-page report called the *Comprehensive Annual Financial Report (CAFR)*. This popular report summarizes the most significant data from the 2002 CAFR and the 2003 Budget Document.

The *City of Bloomington Corporate Report to the Community* is unaudited. We have used this popular report to communicate financial information for the past seven years.

For a complete review of the City's financial position for 2002, consult the *CAFR for the Year Ended December 31, 2002*, available in the Hennepin County Library or from the City. Contact us at 952-563-8790 for information.

What do you think?

Direct your comments and suggestions to the Finance Department, phone: 952-563-8790, E-mail: finance@ci.bloomington.mn.us. Visit our Web site at www.ci.bloomington.mn.us, to find out more about the City of Bloomington's services. ♦

Capital Funds



Capital Funds purchase and improve major assets such as land, structures, equipment and streets.

2002 Expenditures	2003 Budget
\$11,218,390	\$18,960,370

Capital Funding Projects scheduled for 2003 include:

Parks

Major park improvements including \$111,229 for Valley View Park lighting and \$200,000 for installation of a water play area for Cedarcrest Park.

Pavement Management

This is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. Needs are identified and funded through state aids, assessments and

an annual levy. To maximize efficiency, the most opportune time to repair streets is calculated and the funding needs are levied over several years. Program expenditures of approximately \$3.4 million are budgeted in 2003.

Strategic housing and commercial priorities

Since 1997, the City has provided \$5.8 million for property enhancement initiatives such as the acquisition of vacant gas stations and blighted properties or the rehabilitation of properties. Actual expenditures through 2002 were \$3,029,565. The 2003 Strategic Priorities budget is \$2,250,000. The remaining funds will be extended in 2004.

Public Safety Training Center

Bloomington, Edina, Eden Prairie and the Metropolitan Airports Commission are collaborating on a joint training facility for police and fire personnel. Facility construction began November 2002 and is scheduled for completion early fall 2003. Total construction cost is \$5.5 million. Existing funds totaling \$2.4 million have been committed to this project for 2002. Operating expenses are budgeted for partial-year 2003.

For *Bloomington Civic Plaza*, see below. ♦

Bloomington Civic Plaza

City facilities have been enhanced to improve customer service and provide the best long-term value to the community. The new Bloomington Civic Plaza, which opened for business in late May 2003, houses Police and City administrative functions and an arts center, including performing and visual arts space.

Task force recommendation

In May 2000, the City Council authorized the construction of the Police/City Hall/Arts Center after a task force recommendation that current facilities were inadequate for the City's needs.

Financing

The facility was constructed at a total cost of \$38 million and without increasing property taxes

beyond 2002 levels. Financing includes:

♦ The new City Hall funds came from savings. Since 1990, the City has been saving money in a Capital Replacement Fund for future facility needs.

♦ The Bloomington Port Authority has issued Lease Revenue Bonds for the balance of the City Hall funding to be repaid from the City's

existing revenue streams.

♦ The Police portion was funded by a Police Retirement Fund Merger Reimbursement that returned surplus retirement fund assets to Bloomington.

♦ In June 2000, Bloomington voters authorized \$7.2 million of bond-financing for the Arts Center portion. ♦

On target:
Major projects completed in 2002



Water Treatment Plant

Completed: September 2002. Cost: \$14.9 million.

Benefit: Expansion enables the plant to produce up to 14 million gallons of water per day which allows the City to keep up with the growing water demands of Bloomington's residents and businesses.

Funding: On-hand capital. (Expansion did not increase utility fees beyond 2003 levels.)

Bloomington Family Aquatic Center

Completed: June 2002. Cost: \$3.6 million.

Benefit: The Valley View Pool was upgraded to a "family aquatics park" with many new amenities, including a zero-depth entry pool, interactive play features, waterslides, diving boards, sand play area and a remodeled bathhouse and concession stand.

Funding: On-hand capital.

Public Works expanded facility

Completed: June 2002. Cost: \$8.5 million.

Benefit: Approximately 71,000 square feet of vehicle equipment storage was built to protect more than \$16 million invested in Public Works equipment.

Funding: On-hand capital.



\$45,000

Concession revenues from Bloomington Family Aquatic Center in 2002.



35

Events scheduled annually at Normandale Bandshell.